



FIRST-TIER TRIBUNAL
PROPERTY CHAMBER
(RESIDENTIAL PROPERTY)

Case Reference	:	LON/00BK/OLR/2016/1608
Property	:	128 Grove Hall Court, Hall Road, London NW8 9NT
Applicant	:	Habib Ullah Piracha and Tahira Piracha
Respondent	:	Brickfield Properties Limited
Type of Application	:	Lease extension s.24 Leasehold Reform, Housing and Urban Development Act 1993 Judge Dickie
Tribunal Members	:	Mr Jarero BSc FRICS Judge Cowen
Date and venue of Hearing	:	19 April 2017, 10 Alfred Place, London WC1E 7LR

DECISION

Decision of the tribunal

The tribunal determines that the premium payable for the lease extension is £132,931 according to the attached calculation.

The application

1. Application has been made under s.48(1) of the Leasehold Reform, Housing and Urban Development Act 1993 ("the Act") for a determination of the premium to be paid for an extended lease of the subject premises ("the premises"). The premises in question are the property known as 128 Grove Hall Court, Hall Road, London NW8 9NT, registered under title number NGL728739. The freeholder is Daejan Investments (Grove Hall) Limited, but they play no part in these proceedings. The Respondent is the holder of the 999 year head lease of flats 80-205 Grove Hall Court and the competent landlord for the purpose of these proceedings. The Applicant is the current holder of the leasehold interest of the subject premises.

2. A Notice of Claim under section 42 of the Act was served by the Applicants' predecessors in title on 18 February 2016 (the valuation date) proposing a premium of £75,000 in respect of the grant of the new lease pursuant to the provisions of Part II Schedule 13 of the Act. The landlord's counter notice is dated 26 April 2016 and proposed a premium of £276,345. The Applicant purchased the existing leasehold interest on 11 March 2016 for a price of £785,000, taking an assignment of the Notice of Claim.

3. The subject premises are a self contained flat on the fifth floor of a purpose built block of ten/eleven storeys in a substantial development constructed in the 1920/30s comprising just over 200 flats arranged within similar blocks. The development is portered and served by lifts. There was no allocated parking space and no private garden or other outside space, save for limited communal green spaces. The current accommodation comprises entrance hall, reception room, kitchen, two bedrooms, and bathroom. The Gross Internal Area is agreed at 835 sq ft.

4. Grove Hall Court is located on the north side of Hall Road which runs between Grove End Road to the east and Maida Vale to the west in the St. John's Wood district of north west London. The tribunal carried out an inspection on 20 April 2017 of the interior of the property.

The Hearing

5. At the hearing the Applicant was represented by Mr Andrew Lester MRICS and the Respondent by Mr Robin Sharp FRICS. By the commencement of the hearing the experts had agreed the following facts:
 - (i) The Deferment rate was 5%.
 - (ii) The unexpired lease term is 60.34 years.
 - (iii) The lease is for a term of 99 years from 24 June 1977
 - (iv) The ground rent income is £1,450 p.a. until 23 June 2043, rising to the greater of the then passing ground rent or 1/500 of the flat's 99 year lease value (with no improvement disregard).

6. The outstanding issues in dispute between the parties were:
 - (i) Capitalisation
 - (ii) The value of the extended lease.
 - (iii) The appropriate rate of relativity to be used in calculating the premium payable for the lease.

Capitalisation

7. Mr Lester noted the decisions of the tribunal in respect of 22 and 45 Grove Hall Court (on 24 October 2016 and 16 March 2017 respectively), in which a capitalisation rate of 6.5% was applied. However, those ground rents were low, doubling on a single review. Mr Lester considered that 6% was the appropriate rate to adopt given the ground rent terms for the subject flat were more desirable to an investor, and to take account of the risk of a reduction in capital values.

8. Mr Sharp was at 5%, saying he had agreed 4.5% and 5% for this type of ground rent review clause. He produced a statement of agreed facts agreeing the latter figure for a valuation in New College Court NW3 for like ground rent terms.

9. The tribunal did not consider it safe to rely on evidence of Mr Sharp's agreement on a single element of a valuation, since the whole valuation can be treated as a package by valuers seeking an overall compromise. The ground rent is high and both valuers agreed that its terms, which include a review in 26 years, make it an attractive investment. It was not particularly swayed by the opinion of either valuer and adopts a rate of capitalisation at 5.5%, considering that a differential of 1% from the previous tribunal decisions cited is appropriate to reflect this fact.

Long Lease Value

10. In reaching its decision, the tribunal has had regard to the sales of similar sized comparable flats in Grove Hall Court close to the valuation date relied on by the experts. Applying his adjustments, Mr Lester arrived at an average price per square foot of £1,122 to reach a freehold vacant possession value of the subject property on the valuation date of £937,090. Mr Sharp used his average of £1,199 per square foot and a long lease value of £1,001,165.

11. The comparables are set out in the attached Schedule 1 by reference to their address, floor height, condition, area, lease term, sale price and sale date. Recorded in the schedule are the adjustments the tribunal has made for time to the valuation date, condition (to take account of the statutory assumption that the property is unimproved) and floor height in order to reach a value per square foot for the subject property of £1,139. The tribunal's reasoned consideration of the adjustments proposed by each expert is below.

12. Mr Lester adjusted comparable sale prices for properties on the fourth floor and below by a deduction of 2.5% for views and light being inferior to those properties at higher level. Mr Sharp's adjustment of 0.5% per floor is preferred by the tribunal however. Having had the advantage of inspecting from the common parts the view from various aspects and floor levels of the development, Mr Lester's approach did not offer sufficient subtlety to take account of the increasing light and decreasing noise floor by floor, and the significantly improved views on the uppermost floors.

13. Both valuers adjusted their long leasehold value by 1% to establish freehold value. They both also considered it appropriate to adjust the comparables for time to the valuation date by reference to the Land Registry House Price Index for flats and maisonettes in the City of Westminster. The tribunal has adopted these approaches. Given the number of comparables, the tribunal did not consider it necessary to adjust each for its aspect (N/S/E/W). The tribunal values the existing lease at £758,189.

170 Grove Hall Court

14. This flat sold twice close to the valuation date – once a few months prior, and then a year later after full refurbishment. Mr Lester acting for the tenants had sought to persuade the First-tier Tribunal on applications under s.48 of the Act in respect of flat 22 Grove Hall Court (in a decision issued on 24 October 2016, case number LON/00BK/OLR/2016/0357) and subsequently for flat 45 Grove Hall Court (in a decision issued on 16 March 2017, case number LON/00BK/OLR/2016/1233). The tribunal in the earlier of the two cases discounted both sales as not wholly reliable on the available evidence. In the later case the tribunal relied on the second sale of flat 170 but not on the first. Mr Lester however had since then made further enquiries concerning that first sale, and relied on it in his valuation of the subject premises.
15. Mr Lester had been informed on his investigations that the property had been freely advertised prior to both sales, as evidenced through its listing on Lonres. The flat was described to him by one person who inspected prior to the first sale as having been in “bad condition”. It was sold through an estate agent to a developer who invested a considerable amount of money in refurbishment, providing furnishings in the subsequent sale. The agent who dealt with the second sale acknowledged it was a special flat which achieved a high price.
16. Based on Mr Lester's evidence of these two sales, the tribunal sees no reason to exclude either as unreliable evidence. It accepts that it is likely that the property, being purchased by a developer for profit, sold at below market value and then again at above market value, and considers that by including both of these sales the tribunal can obtain a better indicator of market of market value.
17. Mr Lester adjusted the second sale of this flat by 10% for improvements, and Mr Sharp by 7.5%. The tribunal sides with Mr Lester on this point, Mr Sharp's adjustment being insufficient to reflect the fact that the developer refurbished this flat to a very high standard to extract the maximum profit and apparently provided furniture.
18. The tribunal considers it appropriate to include the first sale price of flat 170 unadjusted for condition. Though described in hearsay as in “bad condition”, given the nature of this market this is not necessarily indicative of the property not being in the state of unimproved repair assumed by the Act. Mr Sharp did not suggest that, if the tribunal was to rely on this sale, any adjustment for condition should be made.

186 Grove Hall Court

19. This property had the advantage of the sole use of a south facing flat roof terrace over the entrance porch, though it was overlooked and affected by

the main entrance, and not demised under the lease. Mr Lester adjusted by 2.5% for this benefit (that is, by £25,000). The tribunal in 45 Grove Hall Court adopted a deduction of 1%, though at £12,000 Mr Lester still felt this was too low.

20. Mr Sharp considered that a deduction of £10,000 was appropriate, given its restricted amenity and use. The tribunal however thinks this amount is almost negligible for a flat of this value and does not reflect the rare benefit of in this development of access to outside space. The flat roof terrace of generous size and provides a significant amenity, and the tribunal considers that £20,000 is more appropriate.

21. The tribunal agrees with Mr Sharp's upward adjustment of 0.5% to this comparable to reflect the particular ground rent provisions (reviews at 25 year intervals related to 1/500th of the long lease value). Though Mr Lester made no adjustment for this, for this market and this well known block with a number of flats on such ground rent terms, where purchasers are expected to be well advised, the tribunal considers these provisions would affect the bid.

102 Grove Hall Court

22. Mr Sharp adjusted improvements (5% for the creation of an additional shower room and cloakroom). Mr Lester adjusted by 10% for condition of this comparable understood to be refurbished and "beautifully presented".

23. The tribunal considered that Mr Lester's adjustment of £113,000 was excessive, and that it approximated the cost for a complete refurbishment of the flat to a very high standard, which did not reflect the statutory assumption of unimproved condition. Mr Sharp's adjustment was at £55,000 was too low. The tribunal considered an adjustment for condition of this comparable of £75,000 was appropriate to an unimproved state in repair.

64 Grove Hall Court

24. Mr Lester relied on evidence of this sale, but, the tribunal considers less weight can be placed on it as it cannot be sure of the sale price which appears on Lonres, or of the date of sale, as this has not yet been recorded at the Land Registry. Indeed, as this sale was a little far from the valuation date in Mr Lester's view, he acknowledged that less weight could be put on it, though Mr Sharp did not rely on it at all.

22 and 45 Grove Hall Court

25. The tribunal did not consider it safe to rely on the decisions of the previous tribunals in respect of these two properties, referred to by both valuers, as these were based on the evidence as it was put to those tribunals at the hearings.

Relativity

26. Statutory provisions setting out the premium payable by a lessee in respect of the grant of a lease extension are contained within Part II of Schedule 13 to the Act. By virtue of Paragraph 3(2)(b) the valuation of the landlord's interest must be carried out in what is known as a "No Act world".
27. The approach to relativity in future cases was considered by the Upper Tribunal in *The Trustees of the Sloane Stanley Estate -v- Mundy* [2016] UKUT 0223 (LC). At the end of its decision, in discussing a series of issues under the heading "Future Cases", the Upper Tribunal said:
- "166. Secondly, the valuations required under schedule 13 to the 1993 Act relate to market value on the statutory hypotheses. When the parties attempt to negotiate the amount of a premium in accordance with schedule 13 and when the tribunal comes to determine a dispute as to the amount of such a premium, the relevant valuation date will generally be a date in the past. The parties and the tribunal must focus on the state of the market at that date. What matters is how the market performed at that date. If the market, for example, for leases with rights under the 1993 Act at that date was influenced by certain matters, then that influence must be taken into account. For example, if the market at a date in the past was influenced by a particular graph of relativity then that influence is a market circumstance which is to be taken into account. It is not open to a party when discussing the market at a date in the past to suggest that the market was badly informed or operating illogically or inappropriately in order to invite the tribunal to replace actual market forces with what are suggested to have been more logical or appropriate considerations.
167. Thirdly, it is possible that the market might perform differently in the future from the way it has performed in the past. It is possible that in the future less weight will be given in the market to a particular graph or a new graph might emerge. If those new developments affect market behaviour then they must be taken into account when assessing market forces. It is conceivable that decisions of the tribunals might also influence valuers and in turn influence parties in the market. If that were to occur, then the changed market circumstances before a relevant valuation date must be taken into account when considering market value at that date.
168. Fourthly, in some (perhaps many) cases in the future, it is likely that there will have been a market transaction at around the valuation date in respect of the existing lease with rights under the 1993 Act. If the price paid for that market transaction was a true reflection of market value for that interest, then that market value will be a very useful starting point for determining the value of the existing lease without rights under the 1993 Act. It will normally be possible for an experienced valuer to express an independent opinion as to the amount

of the deduction which would be appropriate to reflect the statutory hypothesis that the existing lease does not have rights under the 1993 Act.

169. Fifthly, the more difficult cases in the future are likely to be those where there was no reliable market transaction concerning the existing lease with rights under the 1993 Act, at or near the valuation date. In such a case, valuers will need to consider adopting more than one approach. One possible method is to use the most reliable graph for determining the relative value of an existing lease without rights under the 1993 Act. Another method is to use a graph to determine the relative value of an existing lease with rights under the 1993 Act and then to make a deduction from that value to reflect the absence of those rights on the statutory hypothesis. When those methods throw up different figures, it will then be for the good sense of the experienced valuer to determine what figure best reflects the strengths and weaknesses of the two methods which have been used.”

The Landlord's Position

28. Mr Sharp considered that he was guided by this decision in the present case, and that where there is a recent real-world sale of a lease he should take that price and deduct for 1993 Act rights based on his professional experience. He therefore based his view on the appropriate rate of relativity derived from the sale of the subject property for £785,000 on 11 March 2016. He adjusted that to £799,842 in February 2016, as the market was falling on the valuation date. However, the time between the valuation date and the sale was only three weeks and one day, and the tribunal is not happy to adjust for time in this case, as to do so for such a short period and less than a month is inappropriate.

29. Mr Sharp then adjusted by 10% to allow for Act rights. In *Mundy* these rights were described as substantial and 10% was decided for a lease with 41.32 years unexpired. Mr Sharp said a number of tribunals, but not all, had accepted c.10% had been accepted, and provided references to some of them. He considered 10% reasonable to adopt in this case, noting the location is not in prime central London but in a well-regarded location outside the centre.

30. Using his adjusted existing lease value excluding Act rights of £719,858, Mr Sharp derived a relativity of 71.18%. Given that the guidance in paragraph 168 of *Mundy* had been satisfied, Mr Sharp considered no reference to the graphs of relativity was required.

31. Neither valuer relied on the December 2015 sale of 100 Grove Hall Court for £790,000, on the same lease terms as the subject flat (but with fixed ground rent reviews) as a principal comparable. Only Mr Sharp mentioned this sale, and only as offering general support for his valuation approach. However, the tribunal does not accept that it does, as it was a slightly bigger flat on a higher floor, notwithstanding that it required modernisation.

The Tenant's Position

32. Mr Lester also began by analysing the recent market sale of the subject flat. He did not consider adjustment for condition necessary in this case. He assumed that the "tired" condition on purchase reflected the assumed unimproved condition in the Act.
33. Mr Lester adopted a deduction for Act rights of 4.84% for a lease term remaining of 60.34 years. He derived this from an average of all of the relevant Prime Central London graphs of relativity (as derived from the My Leasehold website). He considered that the adjustment of 7.5% for Act rights applied by the First-tier Tribunal in respect of 45 Grove Hall Court was too high for this lease length, given that in *Mundy* a deduction of 10% for Act rights was applied in respect of a lease with 41.32 years remaining. Mr Lester's figure for the existing lease value adjusted for Act rights was £747,006, and thus his relativity derived was 79.72%.
34. Mr Lester then went on to consider the analysis of the graphs of relativity. He noted that the average of all the graphs for a lease of 60.34 years unexpired is 80.96%, which is close to the Gerald Eve figure of 81.20%, which according to *Mundy* is the industry standard and fully supported his figure derived from the market evidence.

The Tribunal's Decision on Relativity

35. The valuation date in this case is before the date of the decision in *Mundy*. The Upper Tribunal in that case made it clear that there must be focus on the state of the market, and the actual influences upon it, as at that valuation date. Thus, when the Upper Tribunal was giving advice in respect of "future cases", the tribunal takes the view that it should be understood principally to have been referring to future cases where the valuation date is after the issue of the decision in *Mundy*. That decision itself would have an effect on the market thereafter. At the valuation date in this case the market would have been influenced by market evidence and, where that was not conclusive, by the graphs of relativity.
36. The tribunal was referred to the decisions of the Lands and Upper Tribunal in the well-known cases of *Nailrile Ltd v Earl Cadogan* LRA/114/2006, *Arrowdell Limited v Coniston Court (North) Hove Limited*, LRS/72/2005 and *Re. Coolrace's Appeal* UKUT 69 (LC), and following this guidance is required to do the best it can with market evidence before using the graphs of relativity. In the present case, the tribunal does not find that the sale of the subject property provides a sufficiently robust basis for determining relativity. It does not consider that the decision in *Mundy* limits the relevant market evidence for consideration to a sale, if any, of the subject premises. That market value, the Upper Tribunal said, would be a very useful "starting point", but it need not be the end. However, the valuers did not rely on and analyse other market data to show relativity. The tribunal thus prefers to

check the relativity derived from the subject property against the most appropriate graphs.

37. The tribunal does not agree with Mr Sharp's adjustment to the sale price of the subject property of 10% for Act rights. This unexpired lease term is substantially longer than that in *Mundy*. The tribunal was referred to the approach of the Upper Tribunal in *Re: 38 Cadogan Square* [2011] UKUT 154 (LC)(at paragraph 79), in which it formed the view that to a limited degree the difference between the Savills (2002) enfranchiseable table, which represents relativities for leases with Act rights, and the Gerald Eve graph 1996, which excludes any rights, assists in deciding the order of magnitude of a deduction for Act rights, as that difference in relativities for equal unexpired terms should (theoretically) represent the value of Act rights. The deduction derived in this way for the current unexpired lease term was 6.08% and this property's location placing it in a market not dissimilar from Prime Central London, the tribunal prefers to adopt this, albeit imperfect, market based approach in the present case to the opinion based position of the valuers. The tribunal thus derives a relativity from the market sale of the subject flat at 78.94%, which is close to the figure Mr Lester asked the tribunal to adopt.
38. As relied on by Mr Lester as a cross check, the industry standard graph which the tribunal considers would have been of influence in the market at the valuation date, in spite of its acknowledged shortcomings, was that produced by Gerald Eve. This shows a relativity of 81.20%. Furthermore, the tribunal considers the Savills 2002 graph for Prime Central London would have been considered relevant in the market. It produces a relativity of 85.34%.
39. The tribunal thus arrives at a figure for relativity of 79.72%. Using the tables available at the time of the valuation date would have resulted in a higher relativity hence the tribunal has adopted Mr Lester's figure.
40. Accordingly, the tribunal determines the Premium payable at £132,931 as shown on the attached according to the following valuation

Schedule 13

Part II

PREMIUM PAYABLE IN RESPECT OF GRANT OF NEW LEASE

Premium payable by tenant

2 The premium payable by the tenant in respect of the grant of the new lease shall be the aggregate of—

- (a) the diminution in value of the landlord's interest in the tenant's flat as determined in accordance with paragraph 3,
- (b) the landlord's share of the marriage value as determined in accordance with paragraph 4, and
- (c) any amount of compensation payable to the landlord under paragraph 5.

Diminution in value of landlord's interest

3(1) The diminution in value of the landlord's interest is the difference between—

- (a) the value of the landlord's interest in the tenant's flat prior to the grant of the new lease; and
- (b) the value of his interest in the flat once the new lease is granted.

(2) Subject to the provisions of this paragraph, the value of any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) is the amount which at the relevant date that interest might be expected to realise if sold on the open market by a willing seller (with neither the tenant nor any owner of an intermediate leasehold interest buying or seeking to buy) on the following assumptions—

- (a) on the assumption that the vendor is selling for an estate in fee simple or (as the case may be) such other interest as is held by the landlord, subject to the relevant lease and any intermediate leasehold interests;
- (b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;
- (c) on the assumption that any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or by any predecessor in title is to be disregarded; and
- (d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which the relevant lease has effect or (as the case may be) is to be granted.

(3) In sub-paragraph (2) "the relevant lease" means either the tenant's existing lease or the new lease, depending on whether the valuation is for the purposes of paragraph (a) or paragraph (b) of sub-paragraph (1).

(4) It is hereby declared that the fact that sub-paragraph (2) requires assumptions to be made as to the matters specified in paragraphs (a) to (d) of that sub-paragraph does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the relevant date any such interest of the landlord as is mentioned in

sub-paragraph (1)(a) or (b) might be expected to realise if sold as mentioned in sub-paragraph (2).

(5) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

(6) The value of any such interest of the landlord as is mentioned in sub-paragraph (1)(a) or (b) shall not be increased by reason of—

(a) any transaction which—

(i) is entered into on or after the date of the passing of this Act (otherwise than in pursuance of a contract entered into before that date), and

(ii) involves the creation or transfer of an interest superior to (whether or not preceding) any interest held by the tenant; or

(b) any alteration on or after that date of the terms on which any such superior interest is held.

Landlord's share of marriage value

4(1) The marriage value is the amount referred to in sub-paragraph (2), and the landlord's share of the marriage value is 50 per cent. of that amount.

(2) Subject to sub-paragraph (2A), the marriage value is the difference between the following amounts, namely—

(a) the aggregate of—

(i) the value of the interest of the tenant under his existing lease,

(ii) the value of the landlord's interest in the tenant's flat prior to the grant of the new lease, and

(iii) the values prior to the grant of that lease of all intermediate leasehold interests (if any); and

(b) the aggregate of—

(i) the value of the interest to be held by the tenant under the new lease,

(ii) the value of the landlord's interest in the tenant's flat once the new lease is granted, and

(iii) the values of all intermediate leasehold interests (if any) once that lease is granted.

(2A) Where at the relevant date the unexpired term of the tenant's existing lease exceeds eighty years, the marriage value shall be taken to be nil.

(3) For the purposes of sub-paragraph (2)—

(a) the value of the interest of the tenant under his existing lease shall be determined in accordance with paragraph 4A;

(aa) the value of the interest to be held by the tenant under the new lease shall be determined in accordance with paragraph 4B;

(b) the value of any such interest of the landlord as is mentioned in paragraph (a) or paragraph (b) of sub-paragraph (2) is the amount determined for the purposes of paragraph 3(1)(a) or paragraph 3(1)(b) (as the case may be); and

(c) the value of any intermediate leasehold interest shall be determined in accordance with paragraph 8, and shall be so determined as at the relevant date.

4A (1) Subject to the provisions of this paragraph, the value of the interest of the tenant under the existing lease is the amount which at the relevant date that interest might be expected to realise if sold on the open market by a willing seller (with neither the landlord nor any owner of an intermediate leasehold interest buying or seeking to buy) on the following assumptions—

(a) on the assumption that the vendor is selling such interest as is held by the tenant subject to any interest inferior to the interest of the tenant;

(b) on the assumption that Chapter I and this Chapter confer no right to acquire any interest in any premises containing the tenant's flat or to acquire any new lease;

(c) on the assumption that any increase in the value of the flat which is attributable to an improvement carried out at his own expense by the tenant or by any predecessor in title is to be disregarded; and

(d) on the assumption that (subject to paragraph (b)) the vendor is selling with and subject to the rights and burdens with and subject to which any interest inferior to the existing lease of the tenant has effect.

(2) It is hereby declared that the fact that sub-paragraph (1) requires assumptions to be made in relation to particular matters does not preclude the making of assumptions as to other matters where those assumptions are appropriate for determining the amount which at the interest of the tenant under his existing lease might be expected to realise if sold as mentioned in that sub-paragraph.

(3) In determining any such amount there shall be made such deduction (if any) in respect of any defect in title as on a sale of that interest on the open market might be expected to be allowed between a willing seller and a willing buyer.

(4) Subject to sub-paragraph (5), the value of the interest of the tenant under his existing lease shall not be increased by reason of—

(a) any transaction which—

(i) is entered into after 19th January 1996, and

(ii) involves the creation or transfer of an interest inferior to the tenant's existing lease; or

(b) any alteration after that date of the terms on which any such inferior interest is held.

(5) Sub-paragraph (4) shall not apply to any transaction which falls within paragraph (a) of that sub-paragraph if—

(a) the transaction is entered into in pursuance of a contract entered into on or before the date mentioned in that paragraph; and

(b) the amount of the premium payable by the tenant in respect of the grant of the new lease was determined on or before that date either by agreement or by a leasehold valuation tribunal under this Chapter.

Ref: LON/00BK/OLR/2016/1608

Valuation of Flat 128, Grove Hall Court, Hall Road London NW8 9NT

Valuation Date	18 February 2016
Lease commencement	99 years from 24 June 1977
Unexpired term	80.34 years
Ground rent pa.	£1,450
Subject to review on 24 June 2043 for the remainder of the term	£1,861
Unimproved vacant freehold value pfs	£1,139
Floor area	835 sq.ft.
Unimproved vacant freehold value	£951,065
Value of extended lease	£941,554
Relativity for existing lease	79.72%
Value of existing lease	£758,189
Deferment rate	5%
Capitalisation rate	5.5%

Valuation of Freeholder's current interest

Ground rent	£1,450		
YP 27.34 yrs @ 5.5%	15.3729	£22,291	
2nd period	£1,861		
YP 33 yrs @ 5.5%	16.5826		
PV of £1 in 27.34 yrs @ 5.5%	0.2314	£7,141	
Reversion to freehold value	£951,065		
Deferred 80.34 yrs @ 5%	0.05625	£53,685	<u>£83,117</u>

Freeholder's interest after enfranchisement

Reversion to freehold value	£951,065		
Deferred 150.34 yrs @ 5%	0.000652	£620	<u>£620</u>
Diminution in freeholder's interest			£82,497

Marriage Value

Value after enfranchisement			
Freeholders interest	£620		
Tenant's interest	<u>£941,554</u>	<u>£942,174</u>	

Value before enfranchisement

Freeholders interest from above
Tenant's interest
Marriage value
Divide equally between parties

£83,117
£758,189
£841,306
£100,868

£50,434
Premium payable to freeholder £132,931

Address	Floor	Condition	Area (sq. ft.)	Remaining term (yrs)	Save Pctn	Sale date	Land Reg. index	Time adjustment	Adjust for terrace	Adjust for ground rent provision	Adjust for floor at 0.5% per floor	Adjust to national threshold	Weighting per sq. ft.	Freelanded rate
128 Grove Hall Court Analysis of comparables 128 Grove Hall Court	5					18 Feb 2026	191.27							
170 Grove Hall Court [1st flr]	2	In net condition	225	151	£750,000	21/05/2015	94.46	£804,071	£804,071	£804,071	£916,132	£824,275	£866.09	£197.22
166 Grove Hall Court [1st flr]	1	Dated	913	112	£1,000,000	17/06/2015	95.08	£1,055,103	£1,070,429	£1,050,429	£1,071,437	£1,053,303	£1,197.49	£299.37
162 Grove Hall Court	7	Beautifully presented	977	153	£1,175,000	19/07/2016	104.83	£1,134,448	£1,134,448	£1,059,448	£1,048,954	£1,059,448	£1,208.04	£302.01
170 Grove Hall Court	3	Beautifully presented	838	150	£1,080,000	01/07/2016	103.95	£1,053,188	£1,053,188	£987,852	£971,788	£1,162.49	£290.61	
64 Grove Hall Court [2nd flr]	1	In net condition	573	110	£1,025,000	15/03/2017	110.85	£936,416	£936,416	£936,416	£955,445	£974,627	£1,001.68	£50.08

100.00%
£1,139.29

58%
£1.19